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SUBJECT: SOUTH AFRICA: OCTOBER 2007 LABOR NOTES

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¶1. Summary: Trade Union Federation COSATU has called ongoing food price inflation a "crisis" that threatens workers and called for a change in economic and monetary policy. A Constitutional Court decision to reinstate a fired security guard who was dismissed for failure to carry out his duties is likely to convince employers to continue outsourcing and use of labor brokers, with a depressing impact on formal employment. Trade union federation CONSAWU has sued to join the National Economic Development and Labor Council (NEDLAC). Continuing fatalities in South Africa's mining sector have prompted Minister of Minerals and Energy Bulfwele Sonjica to close 10 mines for unsafe working conditions. The National Union of Mineworkers has applied for permission to conduct a strike over this issue; no date has yet been set. The labor minister has put several sectoral training authorities into administration/receivership. End Summary.

#### COSATU Worries about Food Price Inflation

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¶2. Describing food price inflation as a "crisis", COSATU called for changes in economic policy and no more interest rate increases by the Reserve Bank. In an October 29 statement, COSATU noted that food price inflation reached 16 percent in September, up from an August level of 15.4 percent. Agricultural price increases climbed to 24.4 percent. COSATU said the wage increases demanded by its members were "extremely modest" and that even workers who had won such increases were now once again experiencing a drop in their living standards. COSATU said the situation for the poor and unemployed was getting "desperate." The federation also urged the government to confirm whether or not profiteering was taking place and called on the Reserve Bank not to raise interest rates.

#### Constitutional Court Reinstates Dismissed Worker

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¶3. South Africa's highest court reinstated a security guard dismissed from a Rustenberg platinum Mine in an October 5 verdict. The security guard, who had been fired for his failure to adhere to established search procedures at the platinum mine, appealed his dismissal to the Commission on Conciliation, Mediation and Arbitration, which found that no dishonesty was involved and reinstated him with three months compensation. The case then went to court, with the employer's right to fire upheld in a verdict issued by the Supreme Court of Appeal, which was overturned by the Constitutional Court which decided that the CCMA commissioner did not have to defer to the employer but had to judge whether the employer reached a fair decision.

¶4. Comment: The World Bank and business interests have argued

that labor inflexibility hampers South Africa's competitiveness.

Dismissals are an area most employers find enormously burdensome, as warnings and formal disciplinary hearings abound.

The Constitutional Court decision will make employers even more leery about firing, and therefore even more unwilling to hire, in a country with a 25.5 percent official unemployment rate. Trade unionists, in private conversations, have described the procedural safeguards as needed to deter abuse of workers and racism. One employment consultant put the cost to the South African economy of dismissal procedures at R14 billion. The Constitutional Court decision will protect workers but will not help South Africa's unemployed. End Comment.

#### Trade Union Federation Sues to Join NEDLAC

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15. One of South Africa's smaller trade union federations finally sued the National Economic Development and Labor Council for stalling on recognition and inclusion in its Labor Chamber. The Confederation of South African Workers Unions (CONSAWU) claims 21 affiliates and is dominated by trade union Solidarity, which represents primarily skilled white workers. Solidarity has made headlines by questioning the need for affirmative action, and ascribing South Africa's skills shortages to this and other government policies. The government is required to submit labor legislation and other legislation impacting economic development to NEDLAC, where organized labor, business, and civil society can comment on it in a quadripartite forum. NEDLAC, which includes federations COSATU, FEDUSA and NACTU among its members, has so far not admitted COSAWA. At issue is whether NEDLAC can apply a membership benchmark even though the legislation that created NEDLAC does not include this standard.

#### Viva Bokke Viva

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16. South Africa's sporting madness was evident when its largest trade union federation COSATU issued two press releases on its Rugby team, the Springboks. COSATU not only wished the team well on its way to the final showdown with England on

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October 20 in Paris, but also issued another press release warmly congratulating the team for bringing home the Rugby world cup after their win. A variety of opinion-makers have called for racial integration of SA rugby teams; the Springboks have two colored members but no black team members. COSATU's membership is predominantly black so their explicit support for the Rugby team was a triumph of sporting over racial solidarity.

#### Labor Minister Places SETAs under Administration

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17. South African businesses contribute one percent of payroll towards skills training, into one of 24 Sectoral Education and Training Authorities (SETAs), which provide training to workers and entrants in a particular sector, as part of a broad strategy to address South Africa's skills shortage. The SETAs fall under the authority of the Labor Minister, though they are administered by a mixture of industry, labor and policy leaders.

Labor Minister Mcebisi Dlamini placed the Media Advertising Publishing Printing and Packaging SETA under administration this month, also suspending its board, for financial and other irregularities. The Transport SETA has also been in serious financial difficulties, as its Chairman is facing legal charges in connection with alleged kickbacks received for investing SETA funds in Fidentia Asset Management's funds. In addition to the transport SETA, the SETAs in the energy and local government sectors are also close to suspension. Minister Dlamini has said the capacity of social partners was an issue in implementing the National Skills Development Strategy.

Minister closes 10 Mines for Unsafe Working Conditions, NUM Threatens Strike

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18. Minister of Minerals and Energy Bulyewa Sonjica closed ten mines in mid-October due to concerns about unsafe working conditions. Gold, platinum and coal mines were affected. In addition to the widely-publicized September 28 accident at Harmony Gold's Elandsrand Mine, which trapped 3200 miners about 2km depth, several miners have died recently due to rock-bursts at a variety of mines, including DRD Gold's Blyvooruitzicht mine and AngloPlatininum's Rustenburg operations. The National Union of Mineworkers has applied for permission to strike over safety issues, but has not yet set a date. On October 31, two miners were killed at Goldfield's Kloof Mine and two were killed at Marula Platinum on October 23 in incidents involving explosives. Three more miners died in unrelated accidents in early November, including two at Anglo-Gold Ashanti's deep Tautona mine and one in Exxaro's coal mines. The second miner was a member of trade union Solidarity, which has so far not joined in the safety debate.

COFFMAN